State of Georgia,
County of Fulton, SS.

DECLARATION OF MARC LEFAR

I, Marc Lefar, declare as follows:

1. I am Assistant Vice President - Strategic Marketing and Operations for GTE Wireless Incorporated ("GTEW") and am responsible for strategic marketing functions for GTEW headquarters and field operations. As such, I have personal knowledge of the matters stated below.

I. CPE Used in CMRS

2. Customer equipment for CMRS[1] is usually provided as a part of the CMRS service package. When customers sign up for CMRS service, they expect to—and usually do—obtain both the handset and the wireless telecommunications service. Later, they expect their carrier to inform them about new services *and* equipment.

3. The CPE is network specific and therefore is linked directly to the specific carrier's network. Every carrier must program the phone with the correct network configuration to ensure that it works directly with its system. Presently, wireless technologies that are offered include GSM 1.9 GHz, analog 800 MHz, digital CDMA 800 MHz, digital TDMA 800 MHz, CDMA 1.9 GHz, and TDMA 1.9 GHz. The near future will see combinations of the 1.9 and 800 digital and analog phones thus further increasing the available technologies. The consumer will become confused if there is no linkage readily available between the service and the CPE.

4. The CMRS carrier (or its agent) must provide a handset, pager, or other CPE that is compatible in frequency and modulation with the customer's CMRS service. The CPE must be specifically programmed for that customer's service including telephone number. This CPE has little or no use or purpose beyond completing the radio communications path for

---

[1] Such equipment includes handsets, power cabling, hands-free or car kits, CDPD modems, antennas, batteries, and charging stands.

CMRS and—without reconfiguration—would not be usable for any other CMRS. Although CPE for CMRS may be purchased separately from the CMRS service, compatible, correctly programmed CPE is needed by the customer in order to obtain CMRS service from his or her carrier of choice. The ability of a customer to identify the correct CPE to match the desired service without the assistance of the service provider is extremely limited. Customers consider CPE and CMRS to be part of the same service and typically buy both from the same source at the same time.

5. If the use of CPNI to market CPE to CMRS customers is not allowed, there could be significant service disruption as GTEW upgrades from analog to digital wireless service. Currently, 800 MHz CMRS carriers are converting to digital systems which provide customers with greater clarity, reliability, privacy and new features. In order to upgrade to a digital network, analog spectrum needs to be cleared. This creates extremely limited capacity during transition. In order to manage this transition without significant network blocking, CMRS providers must migrate the heaviest users first. CPNI is the only method to target customers who use analog minutes in an area where a digital system is planned or offered. This information is broken down by cell site and hours of use. Targeting customers by specific cell site usage and moving their analog traffic to digital is key to ensuring the appropriate network quality is maintained and call blockage is minimized.

6. There is an important public safety aspect that lends special urgency to the need for an effective digital migration of high volume users. Many customers rely on wireless service for personal safety and protection in the event of criminal threat, medical emergency, or highway accident. Indeed, for some customers, this is the principal reason to have a cellular phone. Such customers are very low volume users and are not promising candidates for migration to digital nor would they desire typically high priced digital CPE. Yet, if high volume users remain on the analog service, the blockage they cause could have serious consequences for other analog customers trying to get through quickly to 911.

7. It would be extremely confusing to customers if GTEW were to urge customers to migrate to digital service, but could not provide the necessary digital CPE as part of the new digital service. Because existing analog CPE will not work with digital wireless service,

customers would be unlikely to respond to an offer of service without CPE. This would cause the migration effort to fail and would disrupt service to all analog customers. In fact, our experience shows that marketing digital service without a CPE offering does not work. For example, during a recent digital upgrade effort, due to a manufacturer shortage of digital CPE, GTEW marketed digital service without a CPE offering. The digital conversion attempt was not successful in migrating high usage customers. This had a dramatic adverse effect on our digital conversion efforts and resulted in significant blocking levels in some major metropolitan areas.

8. Use of a mass mailing to market digital wireless service to all analog customers is not practical. Due to the fact that capacity management is done at the cell site level, migration efforts must focus on specific user habits in specific locations. Response rates to a mass mailing would clearly not deliver adequate capacity management capability to avoid high blocking levels.

9. Wireless carriers are constantly upgrading services and features, as well as handset capabilities. A service upgrade may require, or be most effective with, a new handset. For example, service plans with a large amount of included minutes may target high volume users and be packaged with phones with long battery life such as handsets with lithium ion batteries or CLA (cigarette lighter adapter) included. Low cost service plans can be packaged with low cost handsets and can be targeted to customers who want service primarily for emergencies. Some customers (not necessarily all) will want to know about any given new offering. Customers will be confused, and carriers handicapped in their ability to provide service, if the carrier cannot use CPNI to identify those customers who are most likely to benefit from a new product. Ultimately, the pace at which innovations enter into the stream of commerce and the hands of the public will be slowed.

II. Voice Mail, Store-and-Forward, and Short Message Services[2]

10. Voice mail and short messaging serve the critical function of receiving messages when a call cannot get through to the receiver. In the CMRS environment, there are many situations in which calls cannot get through that are beyond the control of the CMRS provider and the customer. Incomplete calls may be due to the fact that the handset battery has lost its charge, the handset is not within the coverage area, or the radio signal is masked from the handset (*i.e.*, the handset is in a tunnel, elevator, or under a bridge). The customer's expectation is that the total service offering would get the call or message through to them unless they choose not to be accessible. Voice Mail will receive the call and store it for later retrieval. Short Messaging service holds the alphanumeric page until the handset is recognized by the network and then delivers the page.

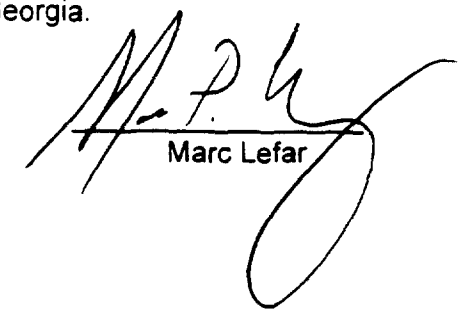
11. For these reasons, voice mail and CMRS short message service perform core functions akin to call waiting and call forwarding, namely to complete the communications path to the customer when normal reception is unavailable. Based on our research, many business customers with call forwarding and/or call waiting usually obtain voice mail as part of their service. This is a clear indication that customers view voice mail as part of the total service package along with call forwarding and call waiting. Indeed, all of these services are necessary components of a state-of-the-art end-to-end communications path for wireless customers.

12. The ability to market packaged services depends not only on a right to package the service, but also on the ability of the carrier to inform those customers who probably need it. For example, by using CPNI, a carrier can analyze call completion details to identify customers who may benefit from voice mail. The restriction on using CPNI prevents GTE from effectively identifying customers who would most benefit from such a package. Customers already expect these products to be marketed with, or even packaged with, the underlying telecommunications service.

---

[2] Short Message Service is a integration of the pager with Digital service. Digital handsets include a display that will allow a SMS message (alphanumeric page) to be presented to the customer.

I declare under penalty of perjury under the laws of the United States and the State of Georgia that the foregoing is true and correct and that this declaration is executed this twenty-eighth day of April, 1998, at Atlanta, Fulton County, Georgia.



Marc Lefar

State of Texas
County of Dallas, SS.

DECLARATION OF ROBERT C. HARVEY

I, Robert C. Harvey, declare as follows:

1. I am the Group Product Manager for GTE Network Services. My responsibilities include product development and roll-out of Asymmetrical Digital Subscriber Line ("ADSL") service for the GTE telephone operating companies in selected central office locations. As such, I have personal knowledge of the matters stated below.

2. GTE has begun to introduce ADSL as the first of several advanced services. ADSL uses standard phone lines to deliver information at speeds up to 6 megabits per second ("Mbps"). For example, a 4-Mbps modem can download a 60-second video clip in near-real time, a task that takes a 28.8-kbps modem 45 minutes. The technology also allows simultaneous voice and data transmission. This service will enable end users to experience vastly improved Internet access. At the same time, it will prevent the degradation of telephone service for all customers by taking the ever-increasing number of long-duration Internet calls off of the public switched telephone network ("PSTN"). ADSL service gives a virtual private line connection that is on all day, and is separate from the PSTN and does not create any blockage on the PSTN.

3. ADSL, like a number of other advanced services that GTE anticipates offering in the near future, requires specialized customer premises equipment ("CPE"), in this case a modem, to complete the transmission path to the end user's location. ADSL modems are not standardized but must be specific to a particular network and, at least at the initial stages of service delivery, ADSL modems for GTE's network will not available through retail channels. Due to market uncertainty, during the initial roll-out of ADSL, the modem manufacturer will only

produce a limited quantity of modems which will only be supplied to GTE.[1] After the market develops, this situation may change, but at present the only way an end user can obtain ADSL service is by renting or buying a suitable modem either from the underlying ADSL service provider (GTE) or his Internet Service Provider ("ISP"), to which GTE will make the modems available so that ISPs may make a bundled offering of the service to their customers. A similar limited distribution of CPE is likely during the early phase of other advanced services, such as VDSL (Very High Bandwidth Digital Subscriber Line).

4. ADSL modems are a functional part of the ADSL service, having virtually no use for any purpose other than to complete the transmission path from the end user's location to the ADSL-equipped central office through to the customer's ISP and the Internet. Customers will consider the ADSL modem to be part of the ADSL service and that GTE will make this equipment available either directly or through their ISP.

5. GTE will be marketing ADSL service to ISPs so that they may offer the service to their customers.[2] It is anticipated, however, that end users as well as ISPs may order the service because GTE's anticipated tariff will not include any use and user restrictions. Since these customer are obtaining ADSL service directly from GTE rather than through their ISPs, they will require that GTE make available to them the specialized modems which will provide their connectivity to the Internet.

6. A particular benefit of ADSL service is to migrate end users who formerly used the PSTN for extended calls to an ISP to the permanent virtual connection which ADSL provides separate from the PSTN. This will occur whether these end users obtain ADSL service from their ISP or order it directly GTE. Such migration will help all members of the public by

---

[1] Of course, the modem vendor is expected to make its product available to other telephone company providers of ADSL service.

[2] ADSL service will also be marketed to corporate LAN customers which similarly provide Internet connectivity through telecommuting for their employees. If a corporate LAN customer purchases ADSL service for its employee, as with ISPs, GTE will make available the modems to the customer so that the customer may provide them to its employees.

decreasing the likelihood of network blockage.

I declare under penalty of perjury under the laws of the United States and the State of Texas that the foregoing is true and correct and that this declaration is executed this twenty-eighth day of April, 1998, at Irving, Dallas County, Texas.

Robert C. Harvey

State of Texas
County of Dallas, SS.

DECLARATION OF KEVIN N. SNYDER

I, Kevin N. Snyder, declare as follows:

1. I am Assistant Vice-President, Product and Process Deployment, for GTE Communications Corporation ("GTECC"), the competitive local exchange carrier ("CLEC") subsidiary of GTE Corporation, and am responsible for the development of products and the support of business processes. As such, I have personal knowledge of the matters stated below.

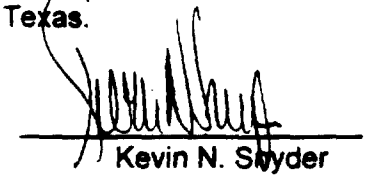
2. Telecommunications customers increasingly want packaged service offerings that include a mix of local, interexchange and wireless services. GTECC and other CLECs intend to pursue a strategy of packaged service offerings in order to enter into new markets. CLECs believe that this is the most effective way to provide a competitive alternative ,i.e., by differentiating their packaged service offerings from the *a la carte* services which incumbent local exchange carriers ("ILECs") must provide pursuant to tariff.

3. The *Order* expressly acknowledges that changing customer demands, driven particularly by CLEC marketing strategies, will impact the "total service approach" which it adopted. CLECs are basing their market entry plans upon the offering of integrated service packages and they intend to serve precisely those customers which the *Order* explicitly recognizes should not be bound by rigid service distinctions. For example, once a new CLEC customer subscribes to a service package, that customer will welcome information about any enhancements to the package, irrespective of service 'categories' as defined by regulation. Indeed, this client information flow is part and parcel to the total service relationship. For example, a customer may initially subscribe to a packaged offering of local and long distance service for $25 per month. Later the carrier may offer an enhanced package that includes local, long distance, and wireless service for $35 per month plus 200 free long distance minutes. Customers will expect and desire that the carrier use their CPNI from the initial package to inform them of this potentially much more attractive package.

4. In the case of packaged services, the customer will regard the package, not the individual components, as comprising his or her total service offering. Even if an enhancement to an initial (or partial) package involves adding a service from another category, the customer will continue to consider the relationship with the carrier to be defined by the package itself, not by the regulatory categorization of the package's components.

5. Allowing carriers to use CPNI from an initial package to market subsequent, enhanced packages will promote the rapid growth of competition and will give customers information about the greatest variety of choices without adversely impacting the customer's CPNI rights.

I declare under penalty of perjury under the laws of the United States and the State of Texas that the foregoing is true and correct and that this declaration is executed this twenty-eighth day of April, 1998, at Irving, Dallas County, Texas.



Kevin N. Snyder